
Performance Review

For the period ended 12/31/2025

Provided By



Bike-Makers, Inc.

Copyright © by Mike Seibert. All rights Reserved

919-961-6532

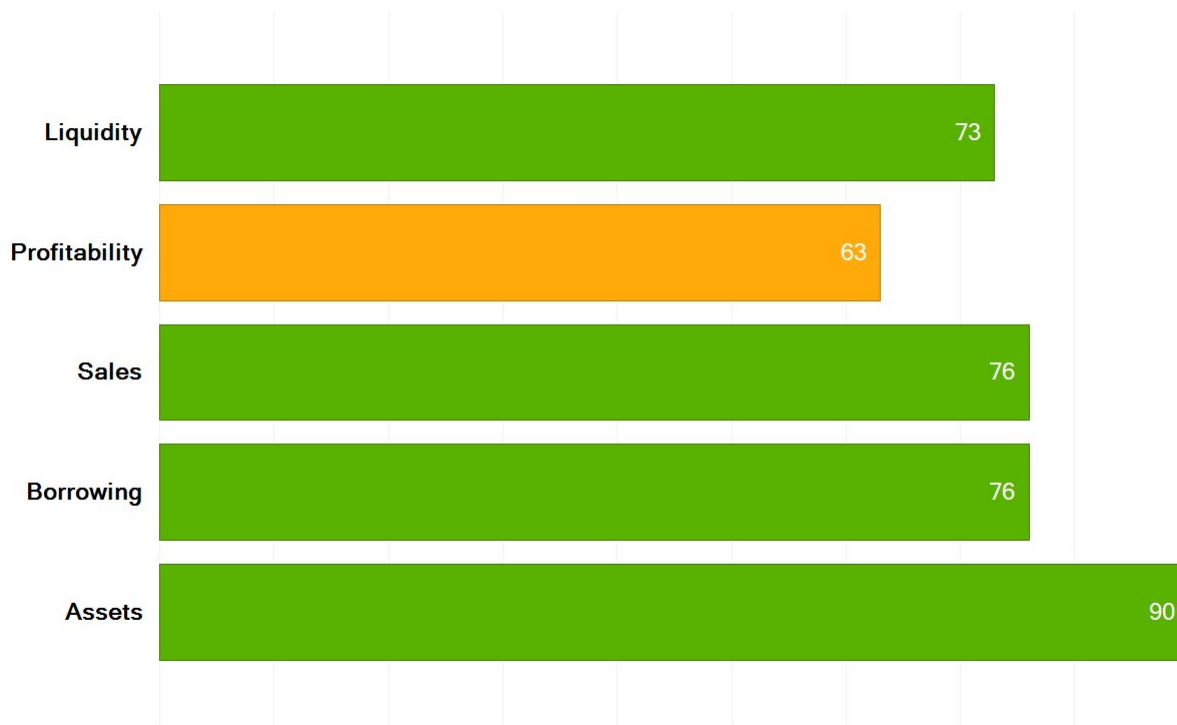
B-M2026 Narrative Report

Industry: 336991 - Motorcycle, Bicycle, and Parts Manufacturing

Sales Range: Yearly sales under \$1 Million

Periods: 12 months against the same 12 months from the previous year

Report Summary



Liquidity ●●●●● 73 out of 100

A measure of the company's ability to meet obligations as they come due.

Operating Cash Flow Results

Cash flow from operations has increased relative to sales since last period, and is at a solid level, currently. This is positive, particularly given that the company is profitable (which will be discussed in more detail below).

General Liquidity Conditions

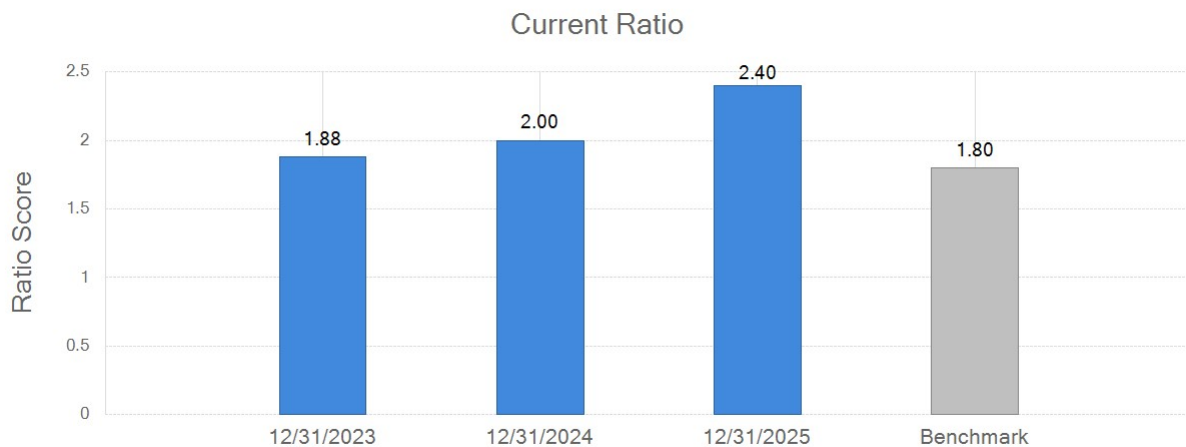
The problem with financial data is that there is a lot of it available that is difficult to know how to use. This report is going to help identify key areas of business. No area is more important than liquidity, which is the company's ability to pay its bills. It represents the firm's overall cash position and it is crucial to survival. Sometimes companies forget about liquidity because it seems so basic.

Trends are typically much more important in finance than raw data. For example, even though "overall" liquidity is very good at this time, it is even more encouraging that multiple liquidity measurements are moving higher. From a finance perspective, both the current ratio and the quick ratio have improved since last period. The company has done positive work in this area. It looks like the company's success may be partly due to the increases in profits and net margins. The firm will find that overall liquidity will almost always improve as the company brings in more profits.

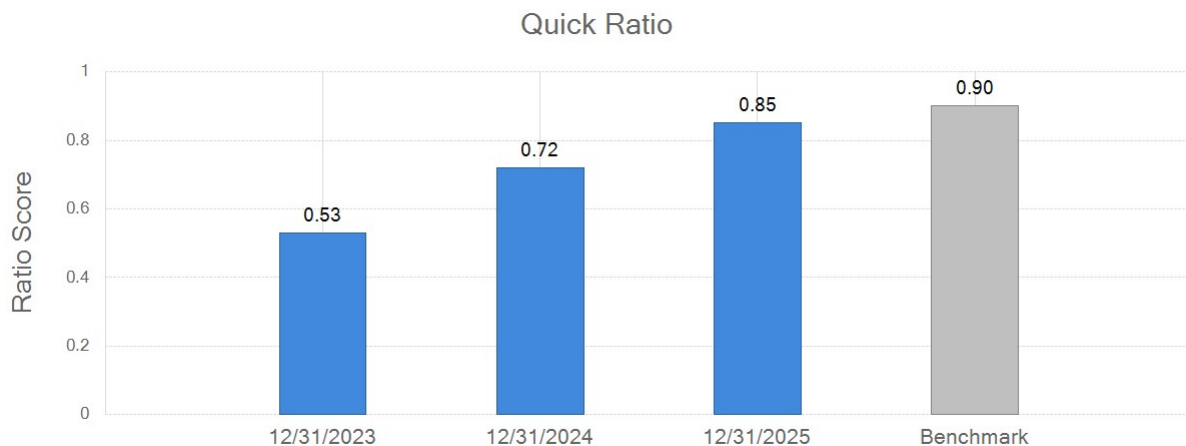
On the somewhat negative side, even though **the company's overall liquidity position is good, it is only about average if just cash and near-cash assets are considered in the analysis.** This means that the company may have slightly too much of its liquidity base tied up in non-cash liquid assets. This seems like a minor point at this time, but it highlights the need to be converting the company's current asset accounts to cash quickly. Ultimately, the goal of having current assets is to drive profits **AND** fund the company.

The company is doing a good job turning its inventory, as indicated by its relatively low inventory days statistic. Only managers inside of a company know how important inventory is to the overall management of the company itself, but it is important to remember that this liquidity turnover ratio can have a direct effect on the cash account over time.

LIMITS TO LIQUIDITY ANALYSIS: Keep in mind that liquidity conditions are volatile, and this is a general analysis looking at a snapshot in time. Review this section, but do not overly rely on it.

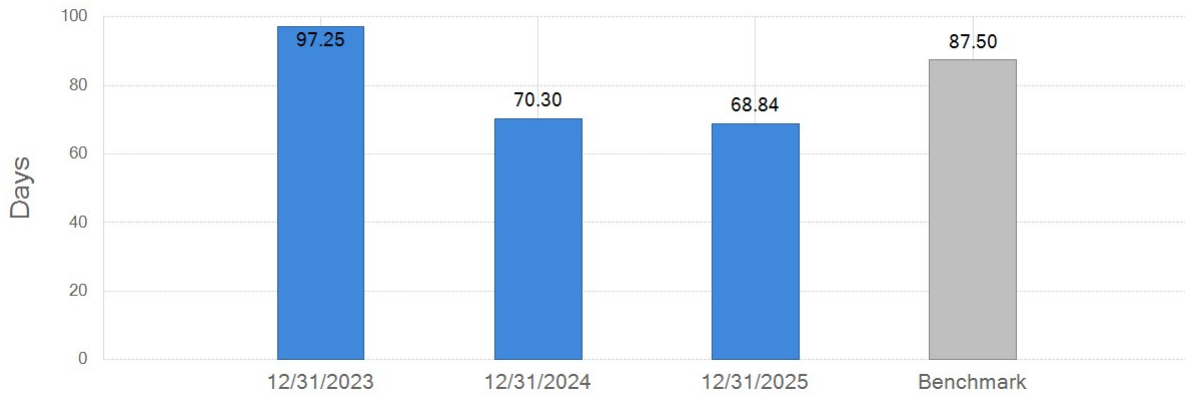


Generally, this metric measures the overall liquidity position of a company. It is certainly not a perfect barometer, but it is a good one. Watch for big decreases in this number over time. Make sure the accounts listed in "current assets" are collectible. The higher the ratio, the more liquid the company is.



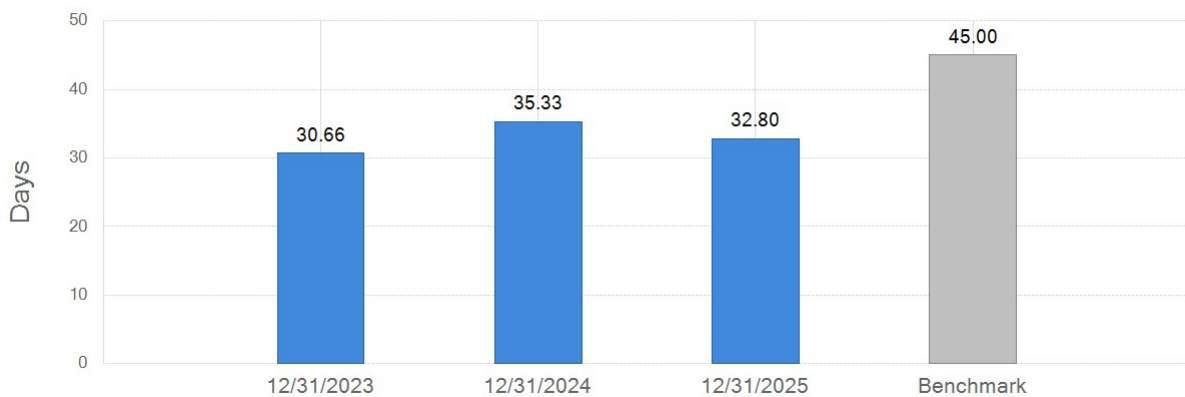
This is another good indicator of liquidity, although by itself, it is not a perfect one. If there are receivable accounts included in the numerator, they should be collectible. Look at the length of time the company has to pay the amount listed in the denominator (current liabilities). The higher the number, the stronger the company.

Inventory Days



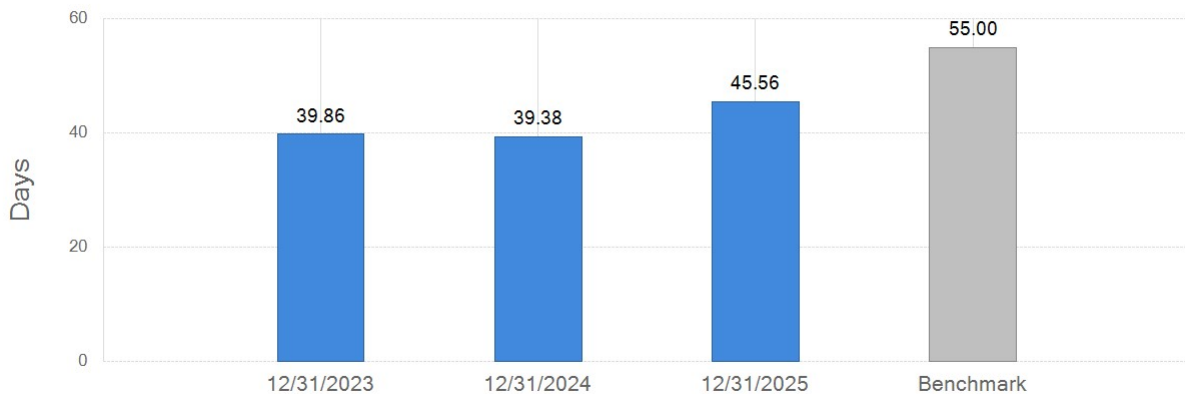
This metric shows how much inventory (in days) is on hand. It indicates how quickly a company can respond to market and/or product changes. Not all companies have inventory for this metric. The lower the better.

Accounts Receivable Days



This number reflects the average length of time between credit sales and payment receipts. It is crucial to maintaining positive liquidity. The lower the better.

Accounts Payable Days



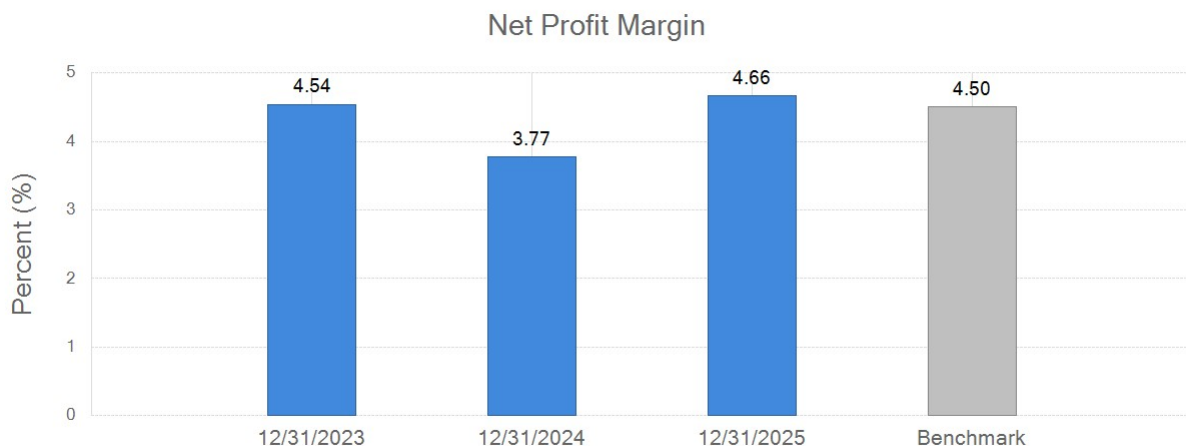
This ratio shows the average number of days that lapse between the purchase of material and labor, and payment for them. It is a rough measure of how timely a company is in meeting payment obligations. Lower is normally better.

Profits & Profit Margin ●●●●● 63 out of 100

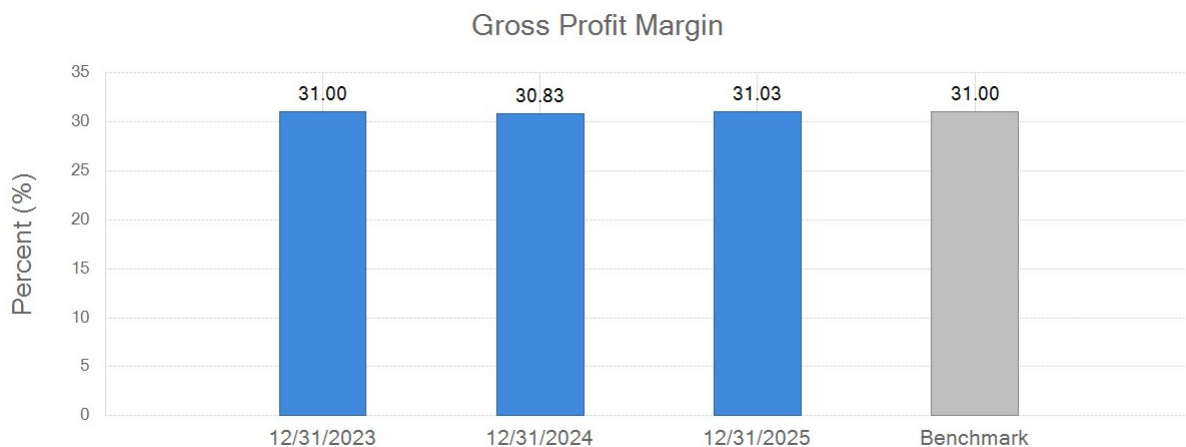
A measure of whether the trends in profit are favorable for the company.

The company has performed well in the profitability area this period, as its sales have increased by 16.80% and its net profit margin has improved by 23.84% as well. When sales increases are combined with better net margins, the result is always solid increases in net profits. This was the case for this company, as net profits in dollars rose significantly. The best implication here is that these results mean that **the company is effectively managing its sales growth**. It might even imply that it is growing into its capacity, which is even better. It is always positive when a company can both grow (increase its sales) and become more efficient (improve its profit margin) concurrently.

Now that the company is doing better than last period, it is earning about average net profits compared to the competition. This is highlighted in the graph area of the report. Keep in mind that all of the scores in this area are applied by evaluating where the company was last period, where it is now, and how it compares with other similar companies. It is good that the company's net profit margin is keeping up with industry standards -- the net profit margin is a company's most important measure of profitability and efficiency, as it measures the cents that a company retains as profits from every dollar it earns in sales revenue. If the company can continue to bring in higher profits and improve its net margin in the future, it will be among the top performers in the industry, which is a good goal. Ultimately, rates of return on assets and equity can only be average over the long run if a company only earns average net profits in this area.

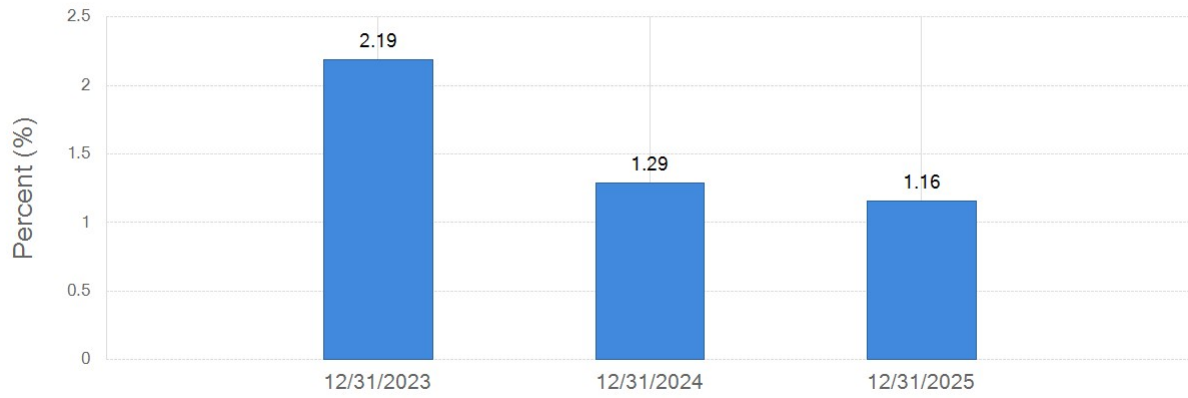


This is an important metric. In fact, over time, it is one of the more important barometers that we look at. It measures how many cents of profit the company is generating for every dollar it sells. Track it carefully against industry competitors. This is a very important number in preparing forecasts. The higher the better.



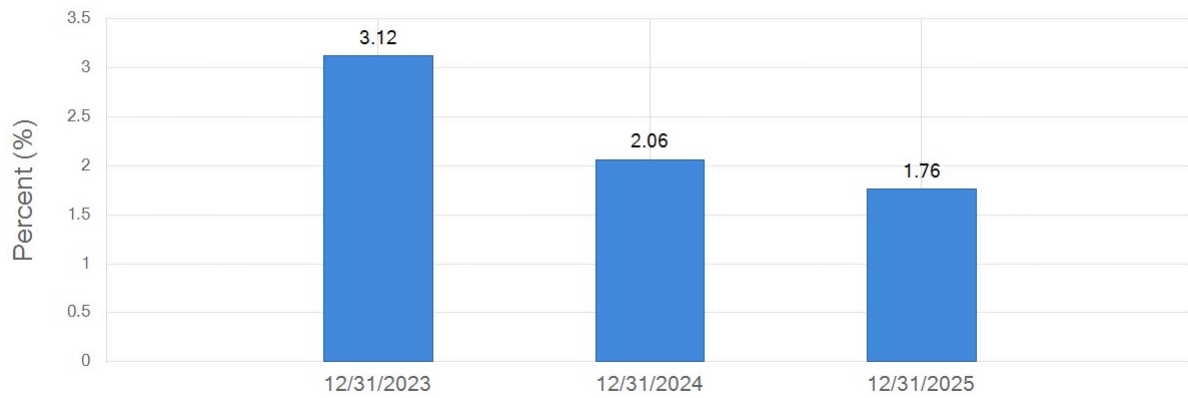
This number indicates the percentage of sales revenue that is not paid out in direct costs (costs of sales). It is an important statistic that can be used in business planning because it indicates how many cents of gross profit can be generated by each dollar of future sales. Higher is normally better (the company is more efficient).

Advertising to Sales



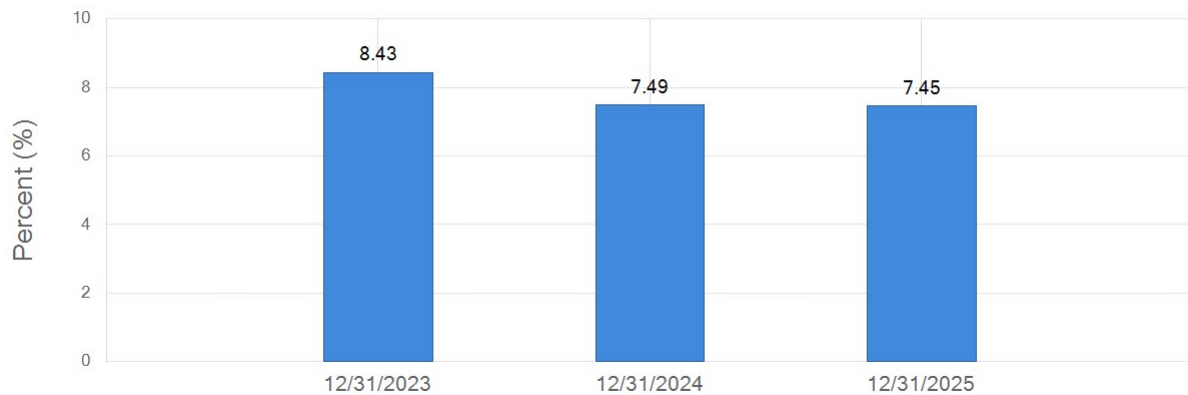
This metric shows advertising expense for the company as a percentage of sales.

Rent to Sales



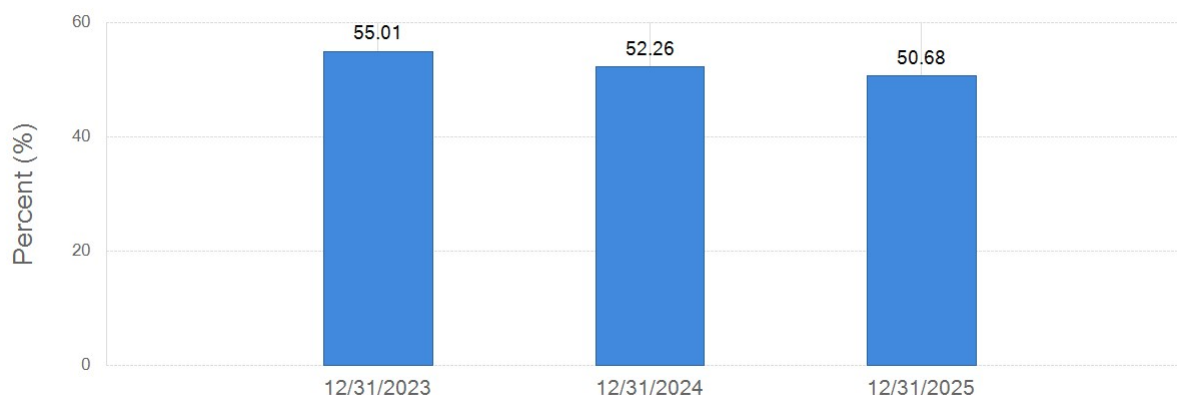
This metric shows rent expense for the company as a percentage of sales.

G & A Payroll to Sales



This metric shows G & A payroll expense for the company as a percentage of sales.

Total Payroll to Sales



This metric shows total payroll expense for the company as a percentage of sales.

Sales ●●●●● 76 out of 100

A measure of how sales are growing and whether the sales are satisfactory for the company.

The company has done a good job of increasing sales this period. Although sales increases by themselves do not typically indicate that much (companies are more interested in increasing profitability), increasing sales is certainly a good trend. It is favorable, though, that the company has increased sales while fixed assets have stayed relatively flat. This is a dynamic that should increase "asset turns" over time. It is less favorable that the company's employee base grew faster than sales this period. Over the long run, companies prefer to increase sales faster than the rate at which they hire people. For a deeper analysis of employee utilization, refer to the Employees section of this report.

Borrowing ●●●●● 76 out of 100

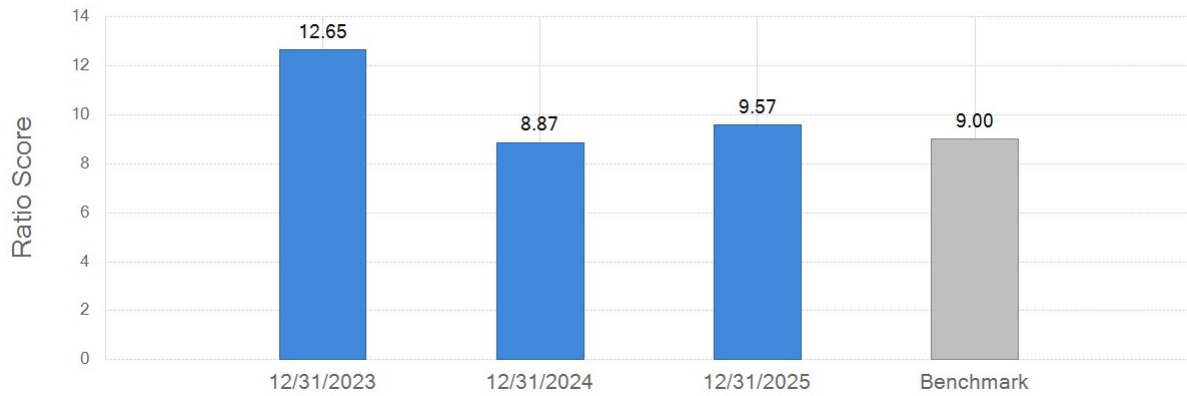
A measure of how responsibly the company is borrowing and how effectively it is managing debt.

Net profitability improved by 44.65% while debt was lowered. In other words, a reduction in total debt coincided with improved profitability, at least for this period. Not only this, but the net profit margins and overall liquidity actually improved. This is a very good situation - - profitability was able to expand without additional debt. This dynamic should help long-term profitability, especially if it can be continued over multiple periods.

It should also be noted that the company is generating an average amount of earnings (before interest and non-cash expenses) relative to its cost of debt payments. For example, notice that the company's interest coverage ratio (EBITDA as compared to debt obligations) is in the normal range. "Normal" as defined in the context of this report means average but not necessarily great, so it would be important to monitor results in this area in the future. The company is also holding an average amount of debt as compared to equity (its debt to equity ratio is in the norm).

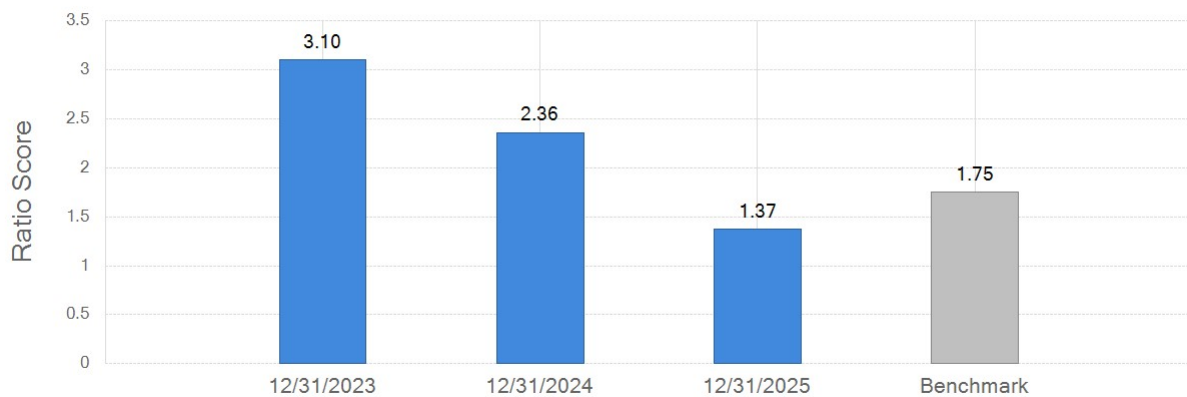
Capacity planning is a challenge here. This involves simply thinking out into the future: how long can profitability improve without increasing borrowing? Analyzing the relationship between investments in resources (such as assets) and profitability improvement, as well as effectively forecasting sales and cash flow, can help answer this question and lead to the best borrowing policies for the near future.

Interest Coverage Ratio



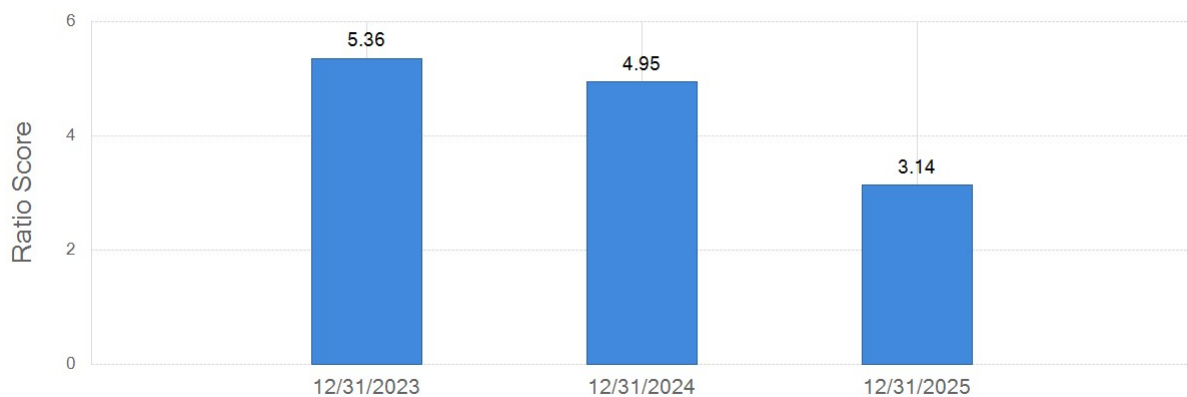
This ratio measures a company's ability to service debt payments from operating cash flow (EBITDA). An increasing ratio is a good indicator of improving credit quality. The higher the better.

Debt-to-Equity Ratio



This Balance Sheet leverage ratio indicates the composition of a company's total capitalization - the balance between money or assets owed versus the money or assets owned. Generally, creditors prefer a lower ratio to decrease financial risk while investors prefer a higher ratio to realize the return benefits of financial leverage.

Debt Leverage Ratio



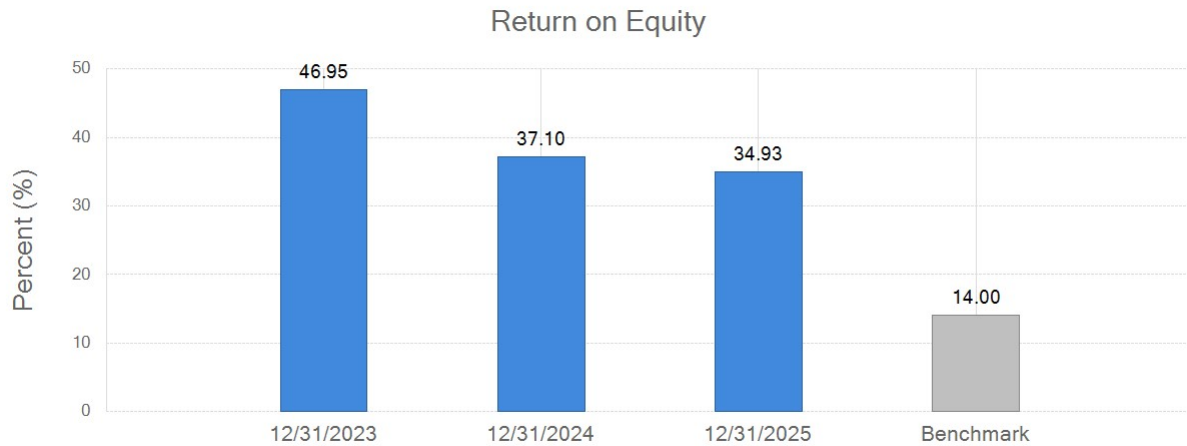
This ratio measures a company's ability to repay debt obligations from annualized operating cash flow (EBITDA).

Assets ●●●●● 90 out of 100

A measure of how effectively the company is utilizing its gross fixed assets.

This period, profitability improved significantly but fixed asset levels stayed relatively flat. This means: 1) profitability was able to improve without adding assets, and 2) the company **may** not need additional assets to continue to improve profitability at this specific time. In other words, the company may be able to grow profitability a bit more with the level of assets currently in place. This should also continue to help improve net margins, which also improved this period. An improvement in net margins is an indication of improved efficiency as the company has a relatively stable asset base.

Other positive points include the above average return on assets and return on equity that the company earned this period. If profits are moving positively against fixed assets and the company is generating good returns on those assets, this area will continue to score very well, as has been the case this period.

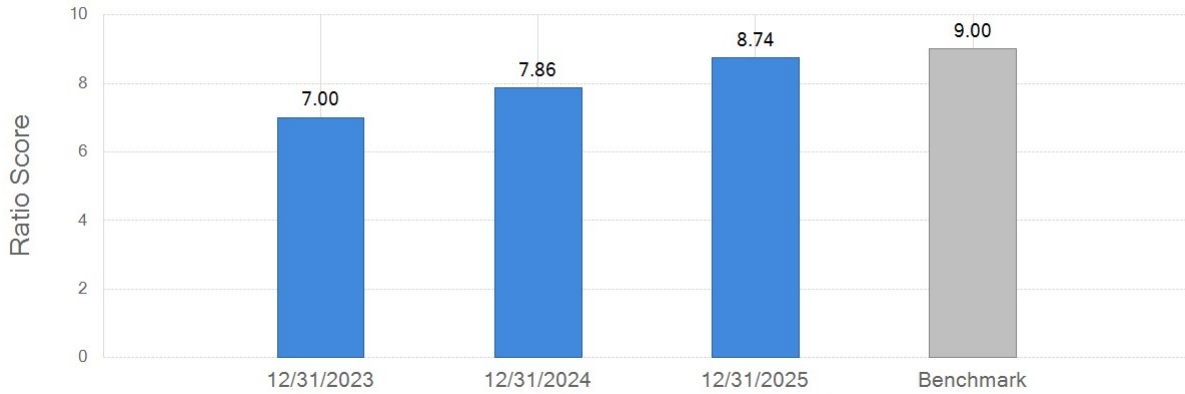


This measure shows how much profit is being returned on the shareholders' equity each year. It is a vital statistic from the perspective of equity holders in a company. The higher the better.



This calculation measures the company's ability to use its assets to create profits. Basically, ROA indicates how many cents of profit each dollar of asset is producing per year. It is quite important since managers can only be evaluated by looking at how they use the assets available to them. The higher the better.

Gross Fixed Asset Turnover



This asset management ratio shows the multiple of annualized sales that each dollar of gross fixed assets is producing. This indicator measures how well fixed assets are "throwing off" sales and is very important to businesses that require significant investments in such assets. Readers should not emphasize this metric when looking at companies that do not possess or require significant gross fixed assets. The higher the ratio, the more effective the company's investments in Net Property, Plant, and Equipment are.

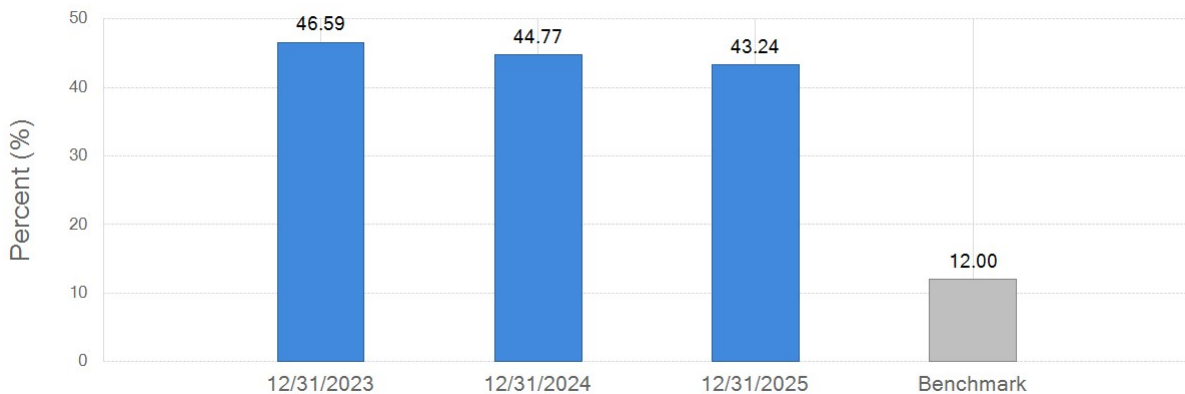
A NOTE ON SCORING: Each section of this report (Liquidity, Profits & Profit Margin, etc.) contains a numerical score/grade, which is a rough measure of overall performance in the area. Each grade represents a score from 1 to 100, with 1 being the lowest score and 100 being the highest. Generally, a score above 50 would be a "good" score and a score below 50 would be a "poor" score. The scores are derived by evaluating the company's trends, either positive or negative, over time and by comparing the company to industry averages for different metrics.

Industry-Specific Performance Ratios

What are the Key Performance Indicators for the business?

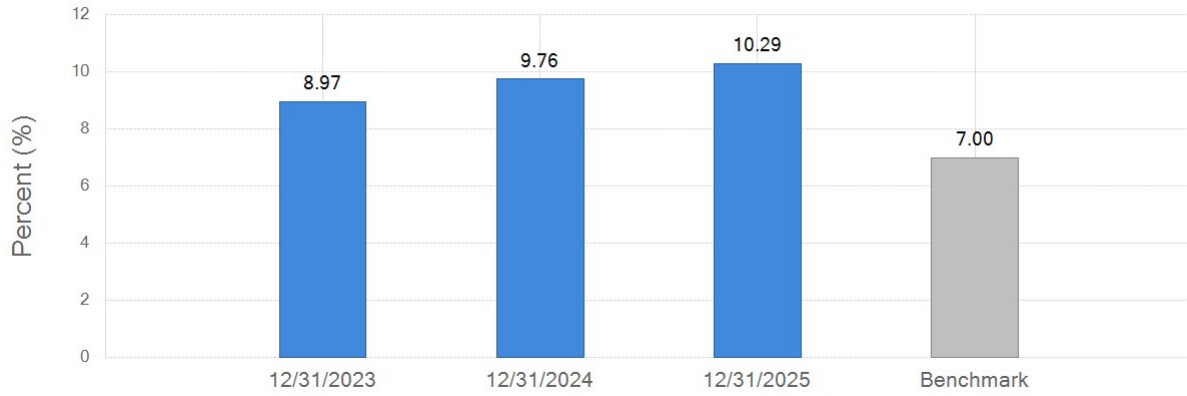
This section of the report provides **Key Performance Indicators** (or KPIs) for the business being analyzed, and they are specific to the business's industry and revenue. Track these KPIs over time and compare them to the industry averages to identify areas where the business might be able to improve operations.

Direct Labor Ratio



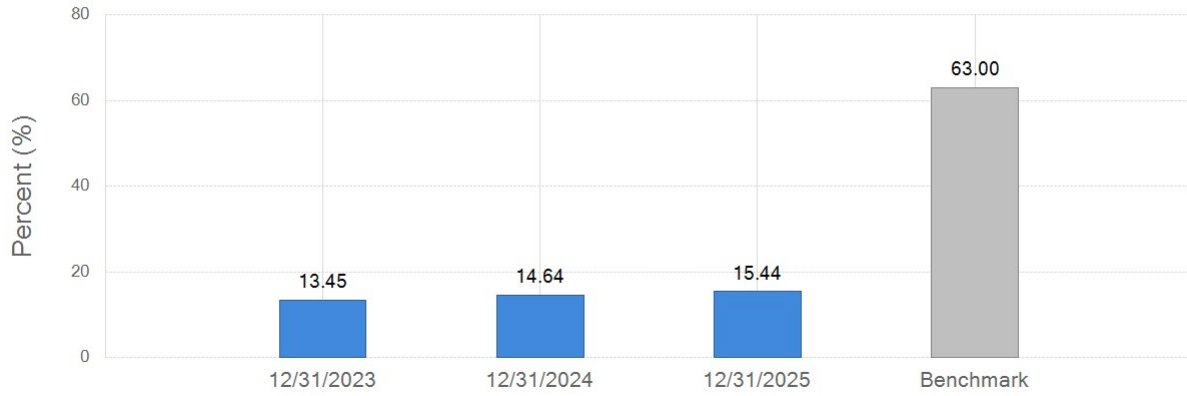
Direct Labor Ratio = Direct Labor / Sales

Manufacturing Overhead to Sales



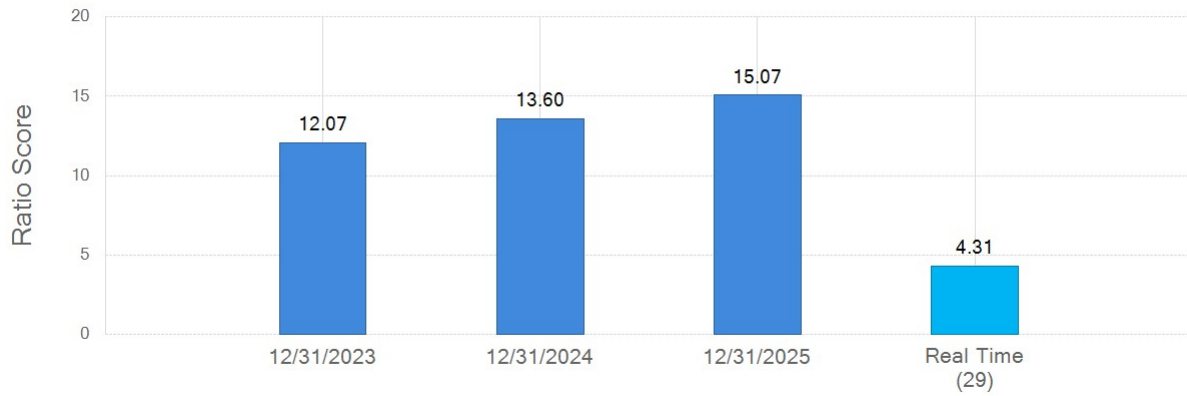
Manufacturing Overhead to Sales = Manufacturing Overhead / Sales

Direct Materials to Sales



Direct Materials to Sales = Direct Materials / Sales

Plant Turnover



Plant Turnover = Cost of Sales / Net Fixed Assets

Raw Data

Income Statement Data	12/31/2023	12/31/2024	12/31/2025
Sales (Income)	\$3,842,456	\$5,822,393	\$6,800,733
Utility	\$1,040,718	\$1,741,904	\$1,850,229
Vintage	\$1,722,497	\$2,540,736	\$3,200,250
Mountain	\$1,079,241	\$1,539,753	\$1,750,254
E-Bike	\$0	\$0	\$0
Cost of Sales (COGS)	\$2,651,295	\$4,027,227	\$4,690,491
Depreciation (COGS-related)	\$0	\$0	\$0
Manufacturing Overhead	\$344,498	\$568,146	\$700,050
Direct Materials	\$516,747	\$852,219	\$1,050,075
Direct Labor	\$1,790,050	\$2,606,862	\$2,940,366
Gross Profit	\$1,191,161	\$1,795,166	\$2,110,242
Gross Profit Margin	31.00%	30.83%	31.03%
Depreciation	\$8,527	\$11,397	\$13,448
Amortization	\$15,000	\$20,000	\$25,000
Overhead or S,G,& A Expenses	\$606,632	\$716,063	\$792,354
G & A Payroll Expense	\$323,756	\$436,075	\$506,569
Rent	\$120,000	\$120,000	\$120,000
Advertising	\$84,240	\$75,169	\$78,699
Public Relations	\$78,636	\$84,819	\$87,086
Other Operating Income	\$0	\$0	\$0
Other Operating Expenses	\$369,465	\$796,532	\$920,708
Operating Profit	\$191,537	\$251,174	\$358,732
Interest Expense	\$17,003	\$31,854	\$41,490
RMB Machinery	\$13,530	\$28,080	\$37,334
RMB LOC	\$3,473	\$3,774	\$4,156
Other Income	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0
Net Profit Before Taxes	\$174,534	\$219,320	\$317,242
Adjusted Owner's Compensation	\$0	\$0	\$0
Adjusted Net Profit Before Taxes	\$174,534	\$219,320	\$317,242
Net Profit Margin	4.54%	3.77%	4.66%
EBITDA	\$215,064	\$282,571	\$397,180
Taxes Paid	\$0	\$0	\$0
Extraordinary Gain	\$0	\$0	\$0
Extraordinary Loss	\$0	\$0	\$0
Net Income	\$174,534	\$219,320	\$317,242
Balance Sheet Data	12/31/2023	12/31/2024	12/31/2025
Cash (Bank Funds)	\$43,797	\$47,660	\$43,197
Accounts Receivable	\$322,758	\$563,500	\$611,083
Domestic A/R	\$243,758	\$332,500	\$333,171
Foreign A/R	\$79,000	\$231,000	\$277,912
Inventory	\$706,388	\$775,688	\$884,600
Other Current Assets	\$228,661	\$300,827	\$299,191
Total Current Assets	\$1,301,604	\$1,687,675	\$1,838,071
Gross Fixed Assets	\$548,922	\$740,299	\$777,859
Accumulated Depreciation	\$329,353	\$444,179	\$466,715
Net Fixed Assets	\$219,569	\$296,120	\$311,144
Gross Intangible Assets	\$3,000	\$5,000	\$5,000
Accumulated Amortization	\$0	\$0	\$0
Net Intangible Assets	\$3,000	\$5,000	\$5,000

Other Assets	\$0	\$0	\$0
Total Assets	\$1,524,173	\$1,988,795	\$2,154,215
Accounts Payable	\$289,558	\$434,482	\$585,483
Short Term Debt	\$30,000	\$40,000	\$30,000
Notes Payable / Current Portion of Long Term Debt	\$150,000	\$300,000	\$150,000
Other Current Liabilities	\$224,218	\$69,532	\$0
Total Current Liabilities	\$693,776	\$844,014	\$765,483
Notes Payable / Senior Debt	\$308,620	\$403,684	\$330,393
NP Rocky Mountain Bank	\$308,620	\$403,684	\$330,393
Notes Payable / Subordinated Debt	\$150,000	\$150,000	\$150,000
Reid Trail	\$75,000	\$75,000	\$75,000
Jimmy Sprocket	\$75,000	\$75,000	\$75,000
Other Long Term Liabilities	\$0	\$0	\$0
Total Long Term Liabilities	\$458,620	\$553,684	\$480,393
Total Liabilities	\$1,152,396	\$1,397,698	\$1,245,876
Preferred Stock	\$0	\$0	\$0
Common Stock	\$20,000	\$20,000	\$20,000
Additional Paid-in Capital	\$0	\$0	\$0
Other Stock / Equity	\$50,000	\$50,000	\$50,000
Ending Retained Earnings	\$301,777	\$521,097	\$838,339
Total Equity	\$371,777	\$591,097	\$908,339
Total Liabilities + Equity	\$1,524,173	\$1,988,795	\$2,154,215
Number of Employees (FTE)	17.0	22.0	27.0

Common Size Statements

Income Statement Data	12/31/2023	12/31/2024	12/31/2025	Industry* (111)
Sales (Income)	100%	100%	100%	100%
Utility	27%	30%	27%	--
Vintage	45%	44%	47%	--
Mountain	28%	26%	26%	--
E-Bike	0%	0%	0%	--
Cost of Sales (COGS)	69%	69%	69%	57%
Depreciation (COGS-related)	0%	0%	0%	--
Manufacturing Overhead	9%	10%	10%	41% (3)
Direct Materials	13%	15%	15%	--
Direct Labor	47%	45%	43%	--
Gross Profit	31%	31%	31%	43%
Depreciation	0%	0%	0%	2%
Amortization	0%	0%	0%	0%
Overhead or S,G,& A Expenses	16%	12%	12%	32%
G & A Payroll Expense	8%	7%	7%	14% (55)
Rent	3%	2%	2%	6% (58)
Advertising	2%	1%	1%	1% (49)
Public Relations	2%	1%	1%	--
Other Operating Income	0%	0%	0%	0%
Other Operating Expenses	10%	14%	14%	1%
Operating Profit	5%	4%	5%	8%
Interest Expense	0%	1%	1%	1%
RMB Machinery	0%	0%	1%	--
RMB LOC	0%	0%	0%	--
Other Income	0%	0%	0%	0%
Other Expenses	0%	0%	0%	0%
Net Profit Before Taxes	5%	4%	5%	7%
Adjusted Owner's Compensation	0%	0%	0%	0%
Adjusted Net Profit Before Taxes	5%	4%	5%	7%
EBITDA	6%	5%	6%	9%
Taxes Paid	0%	0%	0%	4%
Extraordinary Gain	0%	0%	0%	0%
Extraordinary Loss	0%	0%	0%	0%
Net Income	5%	4%	5%	3%
Balance Sheet Data	12/31/2023	12/31/2024	12/31/2025	Industry* (111)
Cash (Bank Funds)	3%	2%	2%	8%
Accounts Receivable	21%	28%	28%	8%
Domestic A/R	16%	17%	15%	--
Foreign A/R	5%	12%	13%	--

Inventory	46%	39%	41%	40%
Other Current Assets	15%	15%	14%	1%
Total Current Assets	85%	85%	85%	66%
Gross Fixed Assets	36%	37%	36%	66%
Accumulated Depreciation	22%	22%	22%	38%
Net Fixed Assets	14%	15%	14%	28%
Gross Intangible Assets	0%	0%	0%	0%
Accumulated Amortization	0%	0%	0%	0%
Net Intangible Assets	0%	0%	0%	0%
Other Assets	0%	0%	0%	6%
Total Assets	100%	100%	100%	100%
Accounts Payable	19%	22%	27%	12%
Short Term Debt	2%	2%	1%	12%
Notes Payable / Current Portion of Long Term Debt	10%	15%	7%	0%
Other Current Liabilities	15%	3%	0%	8%
Total Current Liabilities	46%	42%	36%	39%
Notes Payable / Senior Debt	20%	20%	15%	4%
NP Rocky Mountain Bank	20%	20%	15%	--
Notes Payable / Subordinated Debt	10%	8%	7%	0%
Reid Trail	5%	4%	3%	--
Jimmy Sprocket	5%	4%	3%	--
Other Long Term Liabilities	0%	0%	0%	3%
Total Long Term Liabilities	30%	28%	22%	24%
Total Liabilities	76%	70%	58%	63%
Preferred Stock	0%	0%	0%	0%
Common Stock	1%	1%	1%	1%
Additional Paid-in Capital	0%	0%	0%	0%
Other Stock / Equity	3%	3%	2%	7%
Ending Retained Earnings	20%	26%	39%	25%
Total Equity	24%	30%	42%	37%
Total Liabilities + Equity	100%	100%	100%	100%

*The industry common size figures shown above were taken from all private company data for companies with industry code 336991 for all years in all areas with yearly sales under \$1 million.

Industry Scorecard

Financial Indicator	Current Period	Industry Range	Distance from Industry
Current Ratio = Total Current Assets / Total Current Liabilities Explanation: Generally, this metric measures the overall liquidity position of a company. It is certainly not a perfect barometer, but it is a good one. Watch for big decreases in this number over time. Make sure the accounts listed in "current assets" are collectible. The higher the ratio, the more liquid the company is.	2.40	1.40 to 2.20	+9.09%
Quick Ratio = (Cash + Accounts Receivable) / Total Current Liabilities Explanation: This is another good indicator of liquidity, although by itself, it is not a perfect one. If there are receivable accounts included in the numerator, they should be collectible. Look at the length of time the company has to pay the amount listed in the denominator (current liabilities). The higher the number, the stronger the company.	0.85	0.60 to 1.20	0.00%
Net Profit Margin = Adjusted Net Profit before Taxes / Sales Explanation: This is an important metric. In fact, over time, it is one of the more important barometers that we look at. It measures how many cents of profit the company is generating for every dollar it sells. Track it carefully against industry competitors. This is a very important number in preparing forecasts. The higher the better.	4.66%	2.00% to 7.00%	0.00%
Inventory Days = (Inventory / COGS) * 365 Explanation: This metric shows how much inventory (in days) is on hand. It indicates how quickly a company can respond to market and/or product changes. Not all companies have inventory for this metric. The lower the better.	68.84 Days	75.00 to 100.00 Days	+8.21%
Accounts Receivable Days = (Accounts Receivable / Sales) * 365 Explanation: This number reflects the average length of time between credit sales and payment receipts. It is crucial to maintaining positive liquidity. The lower the better.	32.80 Days	30.00 to 60.00 Days	0.00%
Accounts Payable Days = (Accounts Payable / COGS) * 365 Explanation: This ratio shows the average number of days that lapse between the purchase of material and labor, and payment for them. It is a rough measure of how timely a company is in meeting payment obligations. Lower is normally better.	45.56 Days	40.00 to 70.00 Days	0.00%
Interest Coverage Ratio = EBITDA / Interest Expense Explanation: This ratio measures a company's ability to service debt payments from operating cash flow (EBITDA). An increasing ratio is a good indicator of improving credit quality. The higher the better.	9.57	3.00 to 15.00	0.00%
Debt-to-Equity Ratio = Total Liabilities / Total Equity Explanation: This Balance Sheet leverage ratio indicates the composition of a company's total capitalization -- the balance between money or assets owed versus the money or assets owned. Generally, creditors prefer a lower ratio to decrease financial risk while investors prefer a higher ratio to realize the return benefits of financial leverage.	1.37	0.90 to 2.60	0.00%
Return on Equity = Net Income / Total Equity Explanation: This measure shows how much profit is being returned on the shareholders' equity each year. It is a vital statistic from the perspective of equity holders in a company. The higher the better.	34.93%	8.00% to 20.00%	+74.65%
Return on Assets = Net Income / Total Assets	14.73%	6.00% to 10.00%	+47.30%

Explanation: This calculation measures the company's ability to use its assets to create profits. Basically, ROA indicates how many cents of profit each dollar of asset is producing per year. It is quite important since managers can only be evaluated by looking at how they use the assets available to them. The higher the better.

Gross Fixed Asset Turnover	8.74	6.00 to 12.00	0.00%
= Sales / Gross Fixed Assets			

Explanation: This asset management ratio shows the multiple of annualized sales that each dollar of gross fixed assets is producing. This indicator measures how well fixed assets are "throwing off" sales and is very important to businesses that require significant investments in such assets. Readers should not emphasize this metric when looking at companies that do not possess or require significant gross fixed assets. The higher the ratio, the more effective the company's investments in Net Property, Plant, and Equipment are.

Gross Profit Margin	31.03%	25.00% to 37.00%	0.00%
= Gross Profit / Sales			

Explanation: This number indicates the percentage of sales revenue that is not paid out in direct costs (costs of sales). It is an important statistic that can be used in business planning because it indicates how many cents of gross profit can be generated by each dollar of future sales. Higher is normally better (the company is more efficient).

Debt Leverage Ratio	3.14	--	--
= Total Liabilities / EBITDA			

Explanation: This ratio measures a company's ability to repay debt obligations from annualized operating cash flow (EBITDA).

Advertising to Sales	1.16%	--	--
= Advertising / Sales			

Explanation: This metric shows advertising expense for the company as a percentage of sales.

Rent to Sales	1.76%	--	--
= Rent / Sales			

Explanation: This metric shows rent expense for the company as a percentage of sales.

G & A Payroll to Sales	7.45%	--	--
= G & A Payroll Expense / Sales			

Explanation: This metric shows G & A payroll expense for the company as a percentage of sales.

Total Payroll to Sales	50.68%	--	--
= (Direct Labor + G & A Payroll Expense) / Sales			

Explanation: This metric shows total payroll expense for the company as a percentage of sales.

Z-Score	4.66	1.23 to 2.90	+60.69%
= (0.717 * X1 + 0.847 * X2 + 3.107 * X3 + 0.42 * X4 + 0.998 * X5) X1 = (Current Assets - Current Liabilities) / Total Assets; X2 = Retained Earnings / Total Assets; X3 = EBIT / Total Assets; X4 = Total Equity / Total Liabilities; X5 = Sales / Total Assets;			

Explanation: The Z-Score is a ratio which measures the overall health of a business. In some cases, it can be used as an early predictor of a business's probability of bankruptcy in the next year. How to interpret the Z-Score: a score of 2.90 or above implies a low risk of bankruptcy; a score between 1.23 and 2.90 is an average risk; a score of 1.23 or lower signals a high risk of bankruptcy.

NOTE: Exceptions are sometimes applied when calculating the Financial Indicators. Generally, this occurs when the inputs used to calculate the ratios are zero and/or negative.

READER: Financial analysis is not a science; it is about interpretation and evaluation of financial events. Therefore, some judgment will always be part of our reports and analyses. Before making any financial decision, always consult an experienced and knowledgeable professional (accountant, banker, financial planner, attorney, etc.).

